

Message Text

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TAGS ELAB PINT CO

SUBJ: THE WORKING CLASS, ORGANIZED LABOR AND THE LOPEZ ADMIN

REF A. BOGOTA A25 MAY 5/74 B. BOGOTA 8384 C. BOGOTA 8881 D.

BOGOTA 9240

1. SUMMARY: THE REAPPEARANCE OF FORMER PRES CARLOS LLERAS RESTREPO ON THE COLOMBIAN POLIT SCENE, PRINCIPALLY THROUGH THE PUBLICATION OF THE WEEKLY NUEVA FRONTERA WHICH LLERAS USES TO CRITICIZE THE LOPEZ ADMIN, PUBLIC STATEMENTS AGAINST PRES LOPEZ' DECLARATION OF AN ECONOMIC EMERGENCY MAINLY BY LLERISTA CONGRESSMEN, DISCREPANCIES BETWEEN LOPEZ AND SOME BUSINESS GROUPS AND A FAIRLY WELL PUBLICIZED MARCH ORGANIZED BY THE COMMUNIST-LED TRADE UNION CONFEDERATION OF COLOMBIAN WORKERS (CSTC) AND OTHER LEFTIST GROUPS WHICH TOOK PLACE OCT 30 IN BOGOTA AGAINST THE LOPEZ ADMIN, HAVE CREATED THE APPEARANCE THAT THE LOPEZ ADMIN IS LOSING SUPPORT OF IMPORTANT SECTORS OF THE COLOMBIAN SOCIETY. LEADERS OF THE UNION OF COLOMBIAN WORKERS (UTC) AND THE COLOMBIAN WORKERS CONFEDERATION (CTC) AND THE PRES OF THE RECENTLY CREATED WORKERS BANK, TOLD THE EMB THAT WHILE THERE ARE SOME DANGER SIGNALS, PRES

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LOPEZ CONTINUES TO ENJOY WIDESPREAD SUPPORT AMONG THE WORKING CLASS. THE WORKING CLASS GENERALLY DOES NOT UNDERSTAND MOST OF THE ECONOMIC

MEASURES SO FAR INITIATED BY THE ADMIN DURING THE ECONOMIC EMERGENCY

AND FEELS UNCOMFORTABLE WITH THOSE MEASURES WHICH ARE UNDERSTOOD-
REMOVAL OF THE WHEAT SUBSIDY AND IMPOSITION AND INCREASE OF SALES
TAXES. CRITICISM OF THESE MEASURES IS DIRECTED AT FINAN MIN BOTERO
AND OTHER "TECHNOCRATS" RATHER THAN LOPEZ OR HIS ADMIN PER SE.
THE ORGANIZED AS WELL AS THE UNORGANIZED WORKERS CONTINUE TO
BE CAUTIOUSLY OPTIMISTIC THAT UNDER LOPEZ THEY WILL GET A FAIR
SHAKE. END SUMMARY.

2. THE LLERAS AND LLERISTA CRITICISM OF LOPEZ' ADMIN WHICH BEGAN
A FEW WEEKS AGO (REF D) AND RECENT COMPLAINTS BY THE NATIONAL
RETAILERS ASSN (FENALCO) AND THE NATIONAL INDUSTRIALISTS ASSOCIATION
(ANDI) THAT THEIR POINTS OF VIEW WERE NOT BEING ADEQUATELY TAKEN
INTO ACCOUNT BY THE LOPEZ ADMIN HAVE BEEN THE BASIS FOR RUMORS
AND SPECULATION THAT LOPEZ MAY BE LOSING SUPPORT AND THAT HIS
"CLEAR MANDATE" (MANDATO CLARO) IS IN TROUBLE. ADDED TO THIS
CHORUS, IS THE VOICE OF THE FAR LEFT, PRINCIPALLY THE CSTC,
WHICH HAS CHARACTERIZED LOPEZ' FIRST THREE MONTHS IN OFFICE AS
AN "EXPENSIVE MANDATE" (MANDATO CARO). THE CSTC HAS LED A SO CALLED
NATIONAL VIGILANCE AGAINST THE EXPENSIVE MANDATE WHICH CULMINATED
WITH A MARCH IN BOGOTA OCT 30(SEPTEL). THE CSTC, WHICH WAS GRANTED
LEGAL STATUS BY THE LOPEZ ADMIN, WITHDREW FROM THE NATIONAL SALARY
COUNCIL (CSN) AFTER ATTENDING ONE MEETING. APPARENTLY, THE LEADERS
OF THIS ORG FELT UNCOMFORTABLE WITH THE NEWLY FOUND ROLE OF WORKING
WITHIN THE ESTABLISHMENT.

3. IN SPITE OF THE BUSINESSMEN'S COMPLAINTS, LLERISTA CRITICISMS
AND CSTC MANEUVERS, ACCORDING TO LABOR LEADERS OF THE UTC AND CTC
LOPEZ CONTINUES TO ENJOY WIDESPREAD SUPPORT AMONG THE RANK AND FILE
AND THE WORKING CLASS AS A WHOLE. THEY POINT TO SOME DANGER SIGNALS:
(A) WORKERS CONTINUE TO FEEL THE PINCH OF THE RISING COST OF LIVING,
NOW RUNNING BETWEEN 20 TO 24 PERCENT (B) MANY WORKERS, APPROX
2 MILLION OF THE 7.5 MILLION IN COLOMBIA ARE PAID THE LEGAL MINIMUM
WAGE - FROM 24 PESOS DAILY IN RURAL AREAS TO 30 PESOS IN THE LARGER
CITIES. PRES LOPEZ ON SEPT 14, CALLED FOR INCREASES IN THE MINIMUMS
OF 16 PERCENT IN THE RURAL AREAS (TO 28 PESOS) AND 20 PERCENT
IN THE LARGER CITIES (TO 36 PESOS) EFFECTIVE JAN 1/75. PRICES HAVE
STARTED TO RISE AT A FASTER RATE IN ANTICIPATION OF THESE INCREASES.
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UTC AND CTC REPS HAVE URGED THE CSN TO RECOMMEND TO THE PRES
NEW MINIMUMS OF 55 TO 60 PESOS DAILY. THEY ARGUE THAT A FAMILY
OF FIVE IN BOGOTA NEEDS AT LEAST 1800 PESOS MONTHLY FOR A SUB-
SISTENCE LEVEL OF SURVIVAL AND HAVE BACKED THIS CLAIM WITH
ON SITE SURVEYS OF WORKING CLASS AND POOR NEIGHBORHOODS.
THEY CLAIM TO HAVE FOUND MANY HOUSEHOLDS IN WHICH SAWDUST IS ADDED
TO SOUPS AND SAUCES TO MAKE ENOUGH TO GO AROUND. YET, THE GOC
AND BUSINESS REPS IN THE CSN ARGUE THAT A 100 PERCENT INCREASE
IN THE MINIMUM WAGE WOULD FORCE MANY BUSINESSES TO SHUT DOWN,
ADDING TO UNEMPLOYMENT. THE LABOR SOURCES BELIEVE THAT THE NEW
MINIMUMS
WILL PROBABLY BE A COMPROMISE OF 35 TO 40 PESOS, WHICH MAY BECOME

EFFECTIVE NOV 1/74; (C) THE NATIONAL ADMIN STATISTICS DEPT (DANE) HAS RELEASED PRELIMINARY FIGURES WHICH INDICATE THAT UNEMPLOYMENT IS 12.5 PERCENT THROUGHOUT COLOMBIA WHILE UNDEREMPLOYMENT IS 17.4 PERCENT IN BOGOTA THE FIGURES SHOW 10.7 AND 16.4 PERCENT RESPECTIVELY. THE FIGURES MAY SOMEWHAT OVERSTATE THE SITUATION. YET, MOST OBSERVERS AGREE THAT UNEMPLOYMENT IS INCREASING AND MAY RISE EVEN FASTER IF CONSTRUCTION INDUSTRY SOURCES ARE CORRECT IN PREDICTING A PARALYSIS IN CONSTRUCTION BEFORE YEAR'S END. (PROBABLY IN ANTICIPATION OF THIS POSSIBILITY, THE GOC HAS ANNOUNCED A SPECIAL LINE OF CREDIT FOR THE CENTRAL MORTGAGE BANK (BCH) AND THE TERRITORIAL

CREDIT INSTITUTE (ICT) TO STIMULATE LOW AND MIDDLE INCOME HOUSING CONSTRUCTION; (D) THERE ARE THE PERENNIAL PROBLEMS OF INADEQUATE HEALTH CARE AND PUBLIC EDUCATION FACILITIES AND A CONTINUING HIGH RATE OF POPULATION INCREASE - 2.9 PERCENT ANNUALLY; AND FINALLY (E) BOTH LABOR CENTERS CLAIM THAT THE MUCH BALLEYHOOED TRIPARTITE COMMISSION ON INCOMES, PRICES AND WAGES HAS NOT FUNCTIONED

AT ALL SINCE ITS INITIAL MEETING (REF B) AND MUST BE PUT BACK ON TRACK. PRES LOPEZ HAS STATED THAT THERE IS LITTLE SENSE IN CONVENING THE COMMISSION DURING THE ECONOMIC EMERGENCY NOW SCHEDULED TO END OCT 31.

4. IN SPITE OF THESE DANGER SIGNALS, AND THE INITIATION OF MEASURES DURING THE ECONOMIC EMERGENCY CLEARLY PREJUDICIAL TO THE WORKING CLASS- THE REMOVAL OF THE WHEAT SUBSIDY AND THE IMPOSITION OF HIGH SALES TAXES ON GOODS PREVIOUSLY UNTAXED OR TAXED VERY SLIGHTLY- THE LABOR SOURCES AFFIRM THAT WORKING CLASS SUPPORT FOR LOPEZ LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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REMAINS HIGH. THEY CITE SEVERAL REASONS: (A) THE UNFAVORABLE POSITION OF THE WORKING CLASS IS NOTHING NEW IN COLOMBIA. LOPEZ AT LEAST IS EMPHASIZING THE PROBLEMS FACED BY THE WORKING CLASS, WHICH INDICATES THAT HE WANTS TO DO SOMETHING ABOUT THEM;(B) LOPEZ' CLEAR MANDATE WAS GIVEN HIM BY THE WORKING CLASS VOTE AND LIBERAL PARTY TIES RUN DEEP. THEY WANT HIM TO SUCCEED; (C) THE CRITICISMS OF LOPEZ PRINCIPALLY FROM LIBERAL PARTY FIGURES ARE MORE POLITICAL THAN SUBSTANTIVE AND THIS KIND OF JOCKEYING BY THE PARTY ELITE HAS ALWAYS GONE ON WITH LITTLE SIGNIFICANCE FOR THE WORKIN CLASS; (D) LABOR MIN DE CROVO HAS BEEN THE MOST DYNAMIC FUGURE IN THE LOPEZ ADMIN. SHE HAS MAINTAINED EFFECTIVE LIAISON WITH WORKING CLASS AND THE LABOR LEADERS THROUGH THE CSN AND CONSUMER GROUPS WHICH SHE ORGANIZED TO REPORT ON PROFITEERING BY NEIGHBORHOOD BUSINESSMEN. UTC AND CTC LEADERS CHARACTERIZE THE MIN AS A PLEASANT SURPRISE. RATHER THAN FIGHTING WITH THE UTC AND CTC AND FAVORING THE CSTC AS THEY EXPECTED, THE MIN LABELED THE LTER ORG "A TRAITOR TO THE WORKING CLASS" WHEN IT WITHDREW FROM THE CSN AND BEGAN TO OPENLY CHALLENGE THE LOPEZ ADMIN ON EVERY COUNT. WHILE INITIALLY PUSHING THE UNIFIED LABOR CONFEDERATION THEME FIRST RAISED BY LOPEZ DURING

THE CAMPAIGN (REF A), THE MIN HAS APPARENTLY DECIDED THAT THE GOC CANNOT FORCE THE LABOR MOVEMENT TO ACCEPT THIS CONCEPT. INSTEAD SHE HAS DEDICATED HERSELF TO REASSURING THE WORKING CLASS THAT THE GOC DOES INTEND TO BRING ECONOMIC AND SOCIAL REFORM IN COLOMBIA OF BENEFIT TO THE LOWER CLASSES. SO FAR THE WORKING CLASS BELIEVES HER; FINALLY, (E) THE WORKING CLASS HAS SEPARATED LOPEZ FROM FINMIN BOTERO AND OTHER MEMBERS OF THE ECONOMIC TEAM. THEY ASSOCIATE THE ECONOMIC MEASURES WITH BOTERO RATHER THAN LOPEZ AND THEY BELIEVE THAT LOPEZ WILL REPLACE BOTERO WITH SOMEONE MORE POLITICALLY ASTUTE "AT THE PROPER TIME," PROBABLY SHORTLY AFTER THE FIRST OF THE YEAR. THEY ALSO BELIEVE THAT OTHER MEMBERS WILL ALSO BE REPLACED, SUCH AS JUSTICE MIN SANTOFIMIO, WHO IS CONSIDERED TOO MUCH OF A POLITICIAN, EDUCATION MIN DURAN AND HEALTH MIN CALVO BECAUSE THEY ARE INEFFECTIVE. YET, THESE POSSIBLE CHANGES ARE LOOKED UPON AS NORMAL. THE UTC AND CTC SOURCES POINT OUT THAT THE PRESS MADE MUCH OF THE FACT THAT PRES PASTRANA MADE FEWER CABINET CHANGES THAN ANY PRES DURING THE 16 YEARS OF THE NATIONAL FRONT GOVERNMENTS.

5. EMB COMMENT: LABOR SOURCES APPEAR TO BE WELL INFORMED ABOUT THE FEELINGS OF THE WORKING CLASS TOWARDS LOPEZ AND HIS ADMIN.
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IF THEIR ASSESSMENT IS ACCURATE, IT IS OBVIOUS THAT ALTHOUGH THE WORKING CLASS HAS SOME MISGIVINGS ABOUT THE LOPEZ ADMIN, THE EMOTIONAL ATTACHMENT TO LOPEZ IS VERY STRONG AND IS LIKELY TO CONTINUE. WHILE INDIVIDUALS AND GROUPS MAY SPEAK OUT IN INCREASING NUMBERS AGAINST POLICIES INITIATED BY LOPEZ, THE EVIDENCE INDICATES THAT FOR THE SHORT TERM AT LEAST THESE HAVE BEEN AND WILL CONTINUE TO BE THOSE WITH POLITICAL AXES TO GRIND, AND THOSE WHO HAVE BEEN OR THINK THEY MAY BE RATHER PERMANENTLY AND UNFAVORABLY AFFECTED BY THE MEASURES. THE WORKING CLASS FITS NEITHER OF THESE CATEGORIES AND REMAINS CAUTIOUSLY OPTIMISTIC THAT WITH LOPEZ THEY HAVE A CHANCE. WHITE

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